

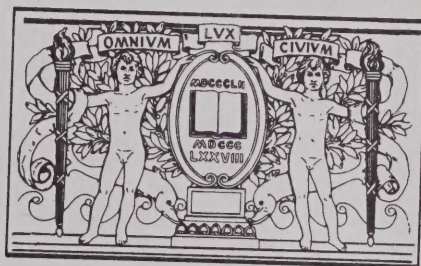
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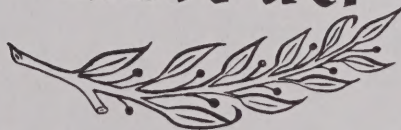


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## Industrial and Operations Jobs in Boston

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## Industrial and Operations Jobs in Boston

### Background

Manufacturing and port operations have been two strong sectors in Boston's economy for most of its history. Over the last 30 years, Boston has followed regional trends and lost a portion of these industries to other areas of the United States and to other countries. Although a strong service based economy has its benefits, manufacturing and operations, such as trucking and shipping cannot be overlooked as vital parts of a well balanced economy.

Boston needs to embrace industrial activities for several reasons. Diversification is crucial in today's global economy where events half a world away influence the city's business sectors. Varied industrial activities within the city limits give the economy a hedge against any one sector's decline.

A strong industrial base also provides jobs to a wider range of workers. Many of Boston's service based jobs require higher educations. Industrial jobs, while requiring special training and skills more frequently, usually do not require formal education beyond high school, giving those without college degrees more well-paying employment opportunities.

Industry is also important because it is an export enterprise. The goods produced by Boston industries are sold and distributed throughout the nation and the world, bringing money into the city. A strengthened industrial sector will expand the value of the Boston's exports, complementing the city's professional services and finance sectors.

### Boston's Traditional Blue Collar Industries Are Holding Their Ground

Boston's main blue collar goods producing and goods handling sectors - manufacturing, wholesale trade, and transportation, communications, and public utilities (T.C.P.U.) - have retained their strength and prominence in Boston's economy since the end of the recent recession. (Construction jobs are sometimes classified as blue collar. They are, however, different in nature and permanence from the traditional goods producing and goods handling blue collar jobs which are the focus of this report.)

### Manufacturing

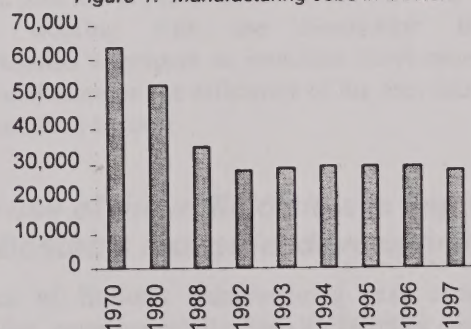
Boston has maintained its manufacturing base at about 4.6 percent of total employment since the end of the last

recession, while the rest of Massachusetts' manufacturing employment has declined by 3.5 percent over the same period. Boston's manufacturing sector lost nearly 40,000 jobs since 1969, when it comprised 12 percent of the total jobs in Boston. Much of this decline is attributable not only to less expensive rents outside the city and development pressures on manufacturing sites within the city, but also to a national decline in manufacturing jobs due to increased productivity and overseas migration of manufacturing jobs.

The number of jobs in manufacturing has generally hovered between 28,000 and 29,000 since 1992, despite the recent loss of 350 jobs caused by the closing of the Digital Equipment plant in 1993 and Stride Rite in 1997. Gillette is the largest manufacturing company in the city, employing 3,400 people of which approximately 1,200 are involved in manufacturing at their South Boston Plant.

Printing and publishing is by far the largest manufacturing sector, employing just over 10,000 people. The number of jobs in this sector has increased eight percent since 1992. This growth is in addition to the growing "copy shop" industry, which is classified in business services rather than in manufacturing.

Figure 1. Manufacturing Jobs in Boston



### Wholesale Trade

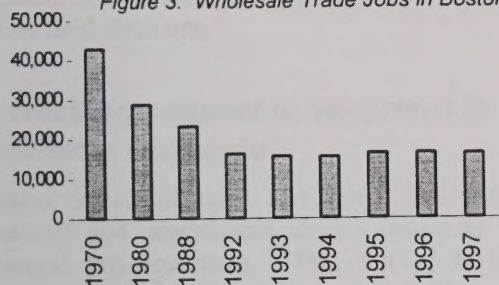
As in the manufacturing sector, employment in wholesale trade has leveled off since the recession. Today, over 16,000 people work in this industry. The loss of employment is partially attributable to wholesale traders leaving the city for facilities in the suburbs. These newer facilities are typically larger than 50,000 s.f. and are organized as "horizontal space" rather than "vertical space" as is common in Boston. The wider shipping and receiving bays in the





suburb's newly constructed facilities also allow better access by truck.

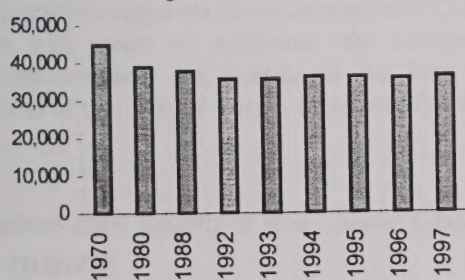
Figure 3. Wholesale Trade Jobs in Boston



Nevertheless, wholesale trade is doing well in Boston, especially where location is critical. The Newmarket area has traditionally been Boston's food wholesale area. The area lost some of its jobs as the food wholesale and distribution industry shrank in Boston by 50 percent since 1980. Today, the area is growing again with the Big Dig underway and other infrastructure improvements such as the Haul Road, Ted Williams Tunnel, Logan Airport modernization and the International Cargo Port completed or underway.

Newmarket is not only an important industrial area for Boston, but a significant employment center as well. Nearly 140 wholesale establishments with 2,800 employees are in the South End, Roxbury and Newmarket areas and one-half of these workers live in Boston, two thirds of those coming from South Boston, Dorchester, Roxbury, or the South End. Citywide, 39 percent of all of the jobs in Boston are held by Boston residents.

Figure 2. T.C.P.U. Jobs in Boston



#### T.C.P.U.

Transportation, communications and public utilities (T.C.P.U.) have remained steady for the past 20 years. The transportation and distribution sectors complement the manufacturing and wholesale sectors by moving goods from manufacturers and distributors to the markets.

In 1970 almost 45,000 people worked in T.C.P.U. in Boston. By 1976 this figure had dropped to just over 36,000 where it has remained ever since. Distribution

of seafood both from local fishermen and Iceland is a large part of the transportation sector and many of the jobs are in Boston's seaport terminals: the Marine Industrial Park and in areas easily accessible to Logan Airport such as East Boston and Charlestown.

## A Foundation for Industrial and Operations Jobs in Boston

### *The BRA's three industrial parks and other industrial areas promote and sustain important blue collar jobs*

The BRA, through its Economic Development and Industrial Corporation (EDIC) division, has an active role in the preservation and creation of manufacturing and other industrial jobs. The Marine Industrial Park is reserved primarily for industrial and maritime uses. Over \$40 million in public investments in the Park have leveraged over \$150 million in private development. Approximately 200 businesses, employing 3,500 people, currently are located in the Park's 191 acres, working in such areas as food processing, ship repair, seafood distribution, light manufacturing, beer brewing and importing. The BRA also manages two other smaller industrial parks: Alsen Mapes and Crosstown. Within the three city-owned industrial parks and in other areas such as Newmarket, the BRA is working to maintain the number of blue collar jobs and promote industrial activity. The BRA is also working with the Newmarket Business Association to prepare an economic development plan that will increase the efficiency of the area and ensure its sustained success.

### *Re-use of brownfield sites is important to Boston's industrial development*

Much of Boston's manufacturing base consists of smaller, environmentally friendly facilities employing state of the art technologies and practices. In the past, however, the industries that allowed Boston to prosper were larger in scale and did not use manufacturing methods that reduced their impact upon the environment. As a result, there are sites throughout the city that have environmental issues that need to be resolved before they can be returned to use.

The new brownfield legislation is intended to provide new legal and financial incentives to clean and redevelop these brownfield properties. Over 800 sites in Boston may qualify for some sort of financial or legal relief under this new law and the BRA is taking





action to assist in the redevelopment of some of these sites for industrial uses. In addition, the city is supporting legislation that will allow non-profit organizations to take advantage of tax credits given for brownfield clean ups.

### ***A working seaport is important to Boston's economy***

Boston is historically a port city. The rise of the financial and professional service industries has not changed this reputation. The Port of Boston still handles over 19 million tons and \$8 billion worth of goods each year, and new transportation improvements such as the Ted Williams Tunnel, the South Boston Bypass Road and the depressed Central Artery are increasing the potential for even more business. Dredging of the major shipping channels has also led to fifty percent increase in container ship traffic in Boston's port. Dockworkers, seafood industry workers, and processors and distributors of the various imports and exports all benefit from the port facilities.

In 1996, the BRA joined with Massport to create the Port of Boston Economic Development Plan - a first of its kind for the two agencies. The Plan presents a vision of the potential for growth of existing businesses and new opportunities available at and around the Port. The Plan calls for the maintenance of maritime jobs, the preservation of Port properties for maritime industrial uses, public investment in specialized infrastructure to support Port growth, promotion of the Port for tourism, and access to the waterfront and other amenities for neighborhood residents and visitors. The recently announced development of the International Cargo Port, which will create an additional 900 maritime jobs, demonstrates both the promise of the Port and the potential of this Port of Boston Economic Development Plan.

### ***Boston can capture the "New Collar" job growth***

Powered by the fundamental strengths of Boston's financial, professional, and business services economy, and subsidized by highway investments that opened suburban "green fields" sites for development, a large

and successful "back office" market grew up around Boston's suburban ring. Back office jobs are primarily those involved in processing the paperwork and electronic transactions of financial services firms and related industries. They encompass a variety of skill levels such as secretarial, clerical, data entry, and technical. Unlike many of the jobs in Boston's Class A office space, these jobs offer a variety of entry level opportunities. In addition, these positions are permanent, offer benefits, and may provide career advancement opportunities. In a modern economy like Boston's, these careers are taking the place of the blue collar jobs of yesterday, and we must capture them in order to retain a proper job mix in the city and to provide new employment opportunities for Boston residents.

At first, suburban sites offered cost and transportation advantages to back office space developers and tenant firms. But now the cost advantage of suburban back office space is evaporating. In addition, office space with large floor plates able to accommodate the needs of modern business operations is being developed in Boston. The location of these businesses in or near downtown is another competitive advantage for firms trying to attract and retain workers in a tight job market. Accessibility to public transportation in Boston is another advantage. It is not surprising, therefore, that Boston is now the focus of new office development that is first class in value and access, but not "Class A" in cost.

Examples of current business operations facilities that are being developed to bring large floor plate product to market at competitive prices can be seen across the city:

- Lafayette Corporate Center renovations downtown (400,000 s.f.)
- Palladio Hall, Palmer Street Building and Fairfield Building in Dudley Square (200,000 s.f.)
- Fargo Building renovation at the end of the Seaport District (420,000 s.f.)
- Landmark Center renovation in the Fenway (600,000 s.f.)
- Hood Plant redevelopment in Charlestown (40,000 s.f.)







## Objectives for Developing Industrial and Operations Jobs in Boston

To promote the development of industrial and operations jobs in the city, the BRA will work towards the following objectives:

1. To increase industrial development and activity on industrial sites throughout the city, focusing on large and established areas such as the Boston Marine Industrial Park and Newmarket.
  2. To utilize brownfield sites for industrial development
  3. To improve Boston's port facilities and infrastructure, providing employment opportunities, additional tax revenues and enhanced access to the waterfront.
  4. To capture the "New Collar" jobs created by Boston's financial and professional services industries.
- 
1. ***To increase industrial development and activity on industrial sites throughout the city, focusing on large and established areas such as the Boston Marine Industrial Park and Newmarket.***
    - **Action:** File and support legislation to provide incentives to manufacturers in Boston.
    - **Action:** Maintain full occupancy in the Marine Industrial Park (MIP).
    - **Action:** Leverage \$20 million in private investment in the development of Parcels A & B in MIP.
    - **Action:** Increase percentage of Boston residents in MIP jobs.
    - **Action:** Increase number of manufacturing jobs in MIP.
    - **Action:** Continue to enhance utilization of maritime assets in MIP.
    - **Action:** Create an Economic Development Plan for Newmarket to improve transportation, infrastructure and image while improving relationships with surrounding areas and retaining jobs.
    - **Action:** Develop plans to use the Incinerator Site for industrial uses.
    - **Action:** Work with established CDCs, trade organizations and neighborhood groups to attract and locate industrial development.
    - **Action:** Publish an annual sitefinder of available industrial sites citywide.
  2. ***To utilize brownfield sites for industrial development***
    - **Action:** Identify, catalog and map publicly and privately owned developable brownfield properties within Boston.
    - **Action:** Capitalize on new Massachusetts brownfield initiative by acquiring funds for site assessments and clean-up activities.
    - **Action:** Create a marketing initiative to educate citizens, businesses and developers about Federal and State incentives to redeveloping brownfields.
    - **Action:** Use existing programs like the \$350,000 revolving loan fund to spur clean-up and redevelopment of industrial sites.
    - **Action:** Support legislation allowing tax credits for non-profit organizations involved in the redevelopment of brownfield sites.
  3. ***To improve Boston's port facilities and infrastructure, providing employment opportunities, additional tax revenues and enhanced access to the waterfront.***
    - **Action:** Promote and encourage the development of the seaport economy.
    - **Action:** Maintain industrial jobs and preserve essential port properties for active maritime uses.
    - **Action:** Provide the public infrastructure needed to support the future growth of the working seaport.
    - **Action:** Promote the Port as a component of the Boston tourist trade, especially cruise ships.
    - **Action:** Reprogram non-essential port properties for productive uses that support a mixed harborwide economy.
    - **Action:** Support fish farming in Boston.
  4. ***To capture the "New Collar" jobs created by Boston's financial and professional services industries.***
    - **Action:** Work with financial and professional services and other firms to identify sites appropriate for back office functions in Boston and its neighborhoods.
    - **Action:** Revitalize Dudley Square through the redevelopment of vacant properties.
    - **Action:** Provide appropriate incentives to firms seeking to locate back office functions in Boston and its neighborhoods.
    - **Action:** Create a Back Office Sitefinder.











